

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA**

In re:)	
)	Chapter 11
MERCY HOSPITAL, IOWA CITY, IOWA, <i>et al.</i> ,)	
)	Case No. 23-00623 (TJC)
Debtors.)	
)	(Jointly Administered)
)	

NOTICE OF SALE AND SALE HEARING

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of Iowa (the “Court”) on August 7, 2023 (the “Petition Date”).

PLEASE TAKE FURTHER NOTICE that, on February 1, 2024, the Debtors filed a motion (the “Sale Motion”)¹ with the Court seeking entry of an order, among other things, approving (a) the sale (the “Sale”) of all of Debtor Mercy Services Iowa City, Inc.’s 25% interest (“Mercy Service’s Interest”) in Progressive Rehabilitation Associates, LLC (“PRA”) to Progressive Physical Therapy, PLLC (“Progressive”) and (b) the form and manner of notice related to the Sale.

Obtaining Additional Information

Copies of the Sale Motion, as well as all related exhibits, including all other documents filed with the Court, are available free of charge on the Debtors’ case information website, <https://dm.epiq11.com/mercyhospital>.

Important Dates and Deadlines

- (i) **Sale Objections Deadline.** The deadline to file an objection with the Court to the Sale is **February 22, 2024** at 10:00 A.M. Central Standard Time (the “Sale Objection Deadline”).
- (ii) **Sale Hearing.** A hearing (the “Sale Hearing”) to consider the proposed Sale will be held before the Court at **10:30 a.m. (prevailing Central Time) on February 22, 2024 at 10:30 A.M. Central Standard Time**, at 111 7th Avenue, SE, Cedar Rapids, Iowa 52401.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion.

Filing Objections

Objections to the Sale, if any, must be filed with the Clerk and served on the United States Trustee, the Debtors' and counsel to the Debtors by the Sale Objection Deadline. Timely filed objections to the Sale will be set for hearing at the Sale Hearing. If no timely objections are filed, the Court may enter an order approving the Sale without conducting the Sale Hearing and the Debtors may submit such order to the Court for consideration.

CONSEQUENCES OF FAILING TO TIMELY ASSERT AN OBJECTION

Any party or entity who fails to timely make an objection to the Sale on or before the Sale Objection Deadline in accordance with this Notice shall be forever barred from asserting any objection to the Sale, including with respect to the transfer of the assets free and clear of all liens, claims, encumbrances and other interests.

NO SUCCESSOR LIABILITY

For more information on the Debtors' business or their products, refer to the First Day Declaration (available on the Debtors' case information website). Upon Court approval, the Sale will be free and clear of, among other things, any claim arising from any conduct of the Debtors prior to the closing of the Sale, whether known or unknown, whether due or to become due, whether accrued, absolute, contingent or otherwise, so long as such claim arises out of or relates to events occurring prior to the closing of the Sale. Accordingly, as a result of the Sale, Progressive will not be a successor to any of the Debtors by reason of any theory of law or equity, and Progressive will have no liability, except as expressly provided in the Purchase Agreement, for any liens, claims, encumbrances and other interests against or in any of the Debtors under any theory of law, including successor liability theories.

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Dated: Cedar Rapids, Iowa
February 1, 2024

/s/ Roy Leaf

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Counsel for Debtors and Debtors-in-Possession

Certificate of Service

The undersigned certifies, under penalty of perjury, that on this February 1, 2024, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of this case

/s/ Roy Leaf